

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



Family and Children's Health Programs Group, Center for Medicaid and State Operations

June 12, 2003

Ms. Lesley Cummings
Executive Director
The California Managed Risk Medical Insurance Board
P.O. Box 2769
Sacramento, CA 95812-2769

Dear Ms. Cummings,

In an earlier letter, dated May 15, 2003, we requested additional clarification on the California State Children's Health Insurance Program (SCHIP) state plan amendment submitted on April 1, 2003. In that letter we mentioned that we would be sending a follow up addendum requesting information on the amendment's proposed funding. You will find the addendum attached to this letter.

Under section 2106(c) of the Act, CMS must approve, disapprove, or request additional information on a proposed title XXI State plan amendment within 90 days. The 90-day review period has been stopped by our earlier request and will resume as soon as the State's response to both the May 15 request and this request are received.

Please send your response, either on disk or electronically, as well as in hard copy, to Meredith Robertson, project officer for the California title XXI proposal, with a copy to the CMS Region IX Office.

Ms. Robertson's Internet address is mrobertson@cms.hhs.gov. Her mailing address is:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Division of State Children's Health Insurance
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850

We appreciate the efforts of your staff and share your goal of providing health care to low-income, uninsured children through title XXI. If you have questions or concerns regarding the

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matters raised in this letter, your staff may contact either Meredith Robertson at (410) 786-6543 or Cheryl Young, CMS Region IX, at (415) 744-3598. They will provide or arrange for any technical assistance you may require in preparing your response. Your cooperation is greatly appreciated.

Sincerely,

Cheryl Austein Casnoff
Director
Division of State Health Children's Insurance

Enclosure

cc: CMS Region IX DMSO

ENCLOSURE

Public Entities

1. In order to determine the nature for each of the contributing entities (as public entities and/or “units of government within a State”) please respond to the following questions:
 - a. Are these entities chartered or organized as public entities and, if so, are they all registered with the Secretary of State as public entities?
 - b. Do these entities exercise governmental powers, and if so, please specify those powers?
 - c. If they are an integral part of a larger governmental unit, are they treated consistently as part of that unit for all purposes?
 - d. Are they treated as governmental units consistently by the State?
 - e. Do these entities have similar characteristics to other entities that are considered by the State to be public agencies? For example, are these entities accorded any special status in State courts or other civil proceedings?
 - f. Are their employees treated as governmental employees?

Source of Funding

2. In order to determine whether the funding is “derived from State or local taxes,” please respond to the following:
 - a. Please explain the source of the funding that is being certified or transferred for each proposing entity, including identification of the specific taxes from which the funding is derived.
 - b. Are any of these entities proposing to use funding that was derived as part of a capitation payment?
 - c. Are county funds being contributed that were previously obligated to the county health plans for services already provided?
 - d. If foundations are a source of funding, do they provide the health plans with administrative or health care services?
 - e. What other sources of funds do these entities propose to use to fund this proposal? What is the nature and extent of these other sources?
 - f. Please include certified financial statements if available.